



Opening Statement of Health, Employment, Labor and Pensions Subcommittee Republican Leader Rick Allen (R-GA) at Subcommittee Hearing: "Closing the Courthouse Doors: The Injustice of Forced Arbitration Agreements." November 4, 2021

(As prepared for delivery)

"Before coming to Congress, I spent nearly 40 years building a business creating hundreds of jobs for Georgians.

"From a business standpoint, I can say without a doubt that H.R. 4841, or the socalled Restoring Justice for Workers Act, will be devastating for both employers and employees.

"This is just another instance of the heavy hand of government reaching way too far. The one thing our economy doesn't need right now is more burdensome regulations.

"But that's exactly what H.R. 4841 is—a burden. By banning arbitration in workplace matters, this law unfairly targets job creators and American workers.

"Arbitration is an effective and proven method for resolving workplace disputes. And the American worker demands choice.

"Arbitration provides practical and affordable legal recourse for employees who believe their rights have been violated. It also provides the necessary flexibility to address workplace claims of all sizes.

"Banning the use of arbitration unfairly penalizes individual employees and employers. This bill would hurt workers by delaying justice and resolutions to disputes.

"Instead of trying to tie the hands of workers and employers, Democrats should be focused on getting our economy back on track and combating the rising prices caused by inflation and out-of-control spending.

"The only thing H.R. 4841 is good for is enriching trial lawyers. The legislation will result in a tsunami of class-action lawsuits, leaving many workers' claims unaddressed due to the costly and time-consuming nature of litigation.

"Outlawing arbitration and facilitating class action lawsuits will funnel more money directly from the pockets of workers and job creators into the wallets of trial lawyers.

"In most cases, arbitration is significantly less expensive and speedier than drawnout court battles.

"Democrats claim that arbitration gives employers an advantage over employees, but in reality, costly court battles only benefit trial lawyers. It is unfair to force workers into judicial proceedings they may not be able to afford.

"This will be another case of Democrat legislation that will have unintended consequences of hurting those it intended to help by imposing a top-down, big government 'solution.'

"Our judicial system is already stretched thin and the COVID-19 pandemic has only made things worse. Forcing all workplace disputes into the courtroom won't just exacerbate this backlog—it will clog our judicial system completely.

"Democrats must be aware that this is bad legislation. Why else would they exempt the unions?

"H.R. 4841 bans all arbitration, except when it comes to arbitration clauses in collective bargaining agreements. Exempting big labor from this bill tells us everything we need to know about how much it will disadvantage job creators.

"Democrats also have a bad habit of trying to treat all Americans the same, but our workers and businesses do not fit into a one-size-fits all box.

"The American workforce is diverse. It does not make sense to treat independent contractors the same as salaried or hourly employees. Independent contractors set their own hours and earnings and are entrepreneurs in their own right. Yet this legislation unfairly targets independent contractors and will ultimately decrease and disincentive these growing opportunities.

"Everyone here wants to see workers thrive. We also want to see those who have been mistreated receive justice. The real question at hand is—what is the most effective and efficient way to get justice for both workers and employers?

"I believe outlawing arbitration, as H.R. 4841 would do, and shoving every workplace dispute into an overwhelmed court system will delay the very justice that mistreated workers need.

"The last thing this economy needs is more control and regulations from Washington.

"Forced lockdowns, a supply chain crisis, rising prices and inflation, and a worker shortage are already wrecking our economy. Legislation like this could be the nail in the coffin for many struggling job creators.

"In the end, those who will suffer the most from H.R. 4841 are the workers who won't be able to have their cases heard and the employers who will be forced to tread water continuously under the heavy weight of endless litigation."